

February 20, 2014

Dear Youthful Tooth Staff,

For almost a year we have been defending this company in a lawsuit filed by Margot Camp and three other former employees (Arcival Buhat, Christian Dilay and Yadira Rodriquez). Margot was dismissed from this practice and filed the lawsuit in April 2013 in Alameda County Superior Court. We moved the case to federal court in July 2013. The lawsuit is entitled Margot Camp, et al. ("Plaintiffs") v. Jeffrey P. Alexander, D.D.S., Inc., et al. ("Defendants"), United States District Court, Northern District of California, Case No. C-13-0386 EDL.

In the case, Margot and the other plaintiffs contend that they are owed unpaid wages, overtime, penalties for alleged missed rest breaks and meal periods, unpaid vacation time, etc. They are seeking to recover substantial monetary sums on behalf of themselves and all employees based on "representative" and "class action" claims.

As the owners of this dental practice, we believe that this lawsuit is motivated by greed and other improper factors. Due to Margot's prior claims, we have already been audited by both the Federal Department of Labor and the Division of Labor Standards Enforcement for California. After the DOL audit, we paid to any employee owed any discrepancies of past wages, as the DOL determined. Recently, after we challenged their audit results, the Division of Labor Standards Enforcement for California dismissed all citations and claims against the practice. This lawsuit is now being conducted by Margot's private attorney.

While we have previously paid all employees concerned what we believe is due and owed, Margot and the other plaintiffs are represented by an attorney who also seeks to recover substantial attorney fees for himself. We believe that Margot's attorney is seeking a very large sum of money by attempting to convince other employees to join the lawsuit.

We also believe that the practice and its owners have substantial defenses and we intend to aggressively assert those defenses.

Unfortunately, the cost of this legal defense has and will continue to have a significant adverse effect on the practice. It is already having a serious affect on our income and ability to focus on our staff.

I. Potential Class Action

Margot, the other plaintiffs and their attorney seek to certify a class of employees, including you, to join the lawsuit. Plaintiffs and their attorney will then most likely want to litigate the claims (which may take years) and/or settle the claims for a large amount of money that the practice simply cannot afford to pay. Indeed the practice has already been forced to spend many thousands of dollars defending the case, which is still in its early stages. A long legal battle will jeopardize the future of this dental practice.

A class action would also mean that Plaintiffs and their attorney would seek your private information, including your address, phone number, earnings and payroll data. They may also want to take your deposition, subpoena you to testify in court and/or otherwise involve you in the lawsuit against this practice.

II. Settlement Efforts

Because this litigation is so costly to defend, we have made considerable efforts to resolve it informally. Through our attorney, we have repeatedly, but unsuccessfully, tried to schedule mediation, as required by court order. We have also offered Margot and the other plaintiffs a settlement to resolve the case informally. Their attorney refused to even respond to our settlement offers. Plaintiffs and their attorney have also filed claims against both Dr. Alexander and Dr. Salazar personally. This means that they also seek to go after not just the practice, but Dr. Salazar and Dr. Alexander as well. The financial and emotional stress of this has taken its toll on both Dr. Salazar and Dr. Alexander this past year. With the recent loss of Dr. Salazar's father, the admittance of Dr. Alexander's mother into a mental institution, the cost of caring for both owners' mothers, as well as attempting to keep all dental staff employed, the

added stress of the lawsuit has taken a serious toll on this practice and the owners' well being.

While we will continue to try to resolve this case informally, we want to inform you that the high litigation costs alone may jeopardize the ongoing viability of the practice. We have been in business for over 35 years and treated hundreds of thousands of Medicaid children in the Bay Area. As you know the Medicaid population has a very low collection rate and it is difficult to run a practice during these hard economic times. This final blow could result in the closure of this long running business.

III. What You Can Do

If you want to support Margot Camp and the other plaintiffs and participate in the lawsuit, you are free to do so. If enough employees join the lawsuit, the court will likely certify a "class action." This means all employees who wish to seek some money out of this will be suing us along with Margot and the other plaintiffs. Money may be awarded at some future point, assuming this dental practice is still in business. We are confident that this practice will not be able to survive such an event.

If you do not want to support Margot Camp and the other plaintiffs and you do not want to participate in the lawsuit, you can make that clear now by completing the attached Opt Out Declaration and returning it in the attached envelope.

You are free to make this decision based on your own conscience and personal choice. You will not be subjected to any form of retaliation based on your decision.

Jeffrey Alexander, D.D.S.

Mary Jane Salazar, D.D.S.

Note: The foregoing represents the company's opinion of the lawsuit. It is unlawful for the company to retaliate against employees who choose to participate in this case.

DECLARATION OPTING OUT OF LITIGATION

I, _____, as an employee of Jeffrey P. Alexander, D.D.S., Inc. A Dental Corporation dba Youthful Tooth Co. ("Youthful Tooth"), hereby state:

1. I am aware that Margot Camp, Arcival Buhat, Christian Dilay and Yadira Rodriguez ("Plaintiffs") have filed a lawsuit against Youthful Tooth on behalf of all employees alleging overtime, missed meal/rest periods, penalties and related claims. I understand that if this lawsuit is successful, I might be eligible to recover wages, penalties or other monetary relief, but that by signing this declaration I am giving up that right.

2. Understanding my rights, I choose not to participate in this lawsuit and hereby opt out of any potential "representative" and/or "class action" litigated by Plaintiffs.

3. I do not want my personal information, including my confidential wage and payroll information, to be provided to Plaintiffs in connection with this litigation.

4. I sign this Declaration voluntarily without pressure or fear of retaliation and with a full understanding that I am giving up my right to potentially recover monetary damages.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: _____